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## Taconite Harbor Advisory Committee – Market and Economic Context – Meeting Summary

Date: January 7<sup>th</sup> 6-7:30pm

Location: Virtual (Microsoft Teams)

### Meeting Purpose

- Objective: Inform Advisory Committee members about the market context of the Taconite Harbor site to guide future reuse recommendations for Cook County EDA.
- Focus: Focused on economic and market context for potential reuse of the Taconite Harbor site. Final educational session before transitioning to visioning and scenario development.
- Key Message: The scenarios presented (industrial, resort/hospitality, residential) are **illustrative only**, not prescriptive. They aim to inform visioning, not dictate outcomes.

### Key Topics Covered

#### → Lake & Cook County Demographics and Economics

- Demographics:
  - Population stable but aging; bimodal distribution in income and education
  - Household income split: ~50% under \$75K, ~35% over \$100K
- Labor Market:
  - Jobs stable overall, but blue-collar employment dropped after Taconite Harbor plant closure
  - Tourism-related jobs rebounded post-COVID
- Economic Structure:
  - Heavy reliance on low-wage service jobs (hospitality, retail)
  - Manufacturing still present at higher-than-state average

#### → Mining Economy

- Mining economy is relevant to the future of the Cleveland Cliffs property, which impacts planning for other properties in the area

- Iron ore mining remains economically significant in Minnesota and nationally
- Production stable since 2010; forecast: continued stability/modest growth
- Cannot assume site will be decommissioned soon; likely to remain under current ownership in short-to-medium term

## → **Market Analysis**

- Site Attributes
  - Large site under single ownership (attractive for developers)
  - Lake frontage and proximity to parks/trails
  - Constraints: Utility limitations (natural gas absent, electric capacity uncertain), distance from amenities, environmental remediation needed for non-industrial uses
- Industrial Development
  - Indicators:
    - Duluth/North Shore industrial market tight (low vacancy, rising rents)
    - Land scarcity a challenge
  - Three industrial possibilities
    - Traditional Industrial Park: Possible but slow absorption; utility challenges
    - Mega-User: Large-scale heavy industrial user could leverage shipping; some interest reported by local economic development professionals
    - Small Business/Creative Hub: Compatible with mixed-use development
- Resort/Hospitality
  - Strong demand for lodging; room rates rising
  - Assets: Lake frontage, large site, scenic location
  - Challenges: Distance from retail/entertainment; remediation costs
  - Opportunities: Event center, on-lake activities
- Residential
  - Demand for all housing types, especially workforce and rental housing
  - Constraints: High construction costs, land scarcity, remediation needs
  - Potential: Mixed-income housing; may require public sector support

- Summary of Viability
  - Industrial: Viable; mega-user most promising
  - Resort: Viable; large-scale resort could support amenities
  - Residential: Viable; mix of housing types needed

#### → **Funding Overview**

- Lifecycle Approach: Funding should inform planning/design early
- Sources of funding:
  - Government grants and low-interest loans, earmarks, private financing, tax revenue, bonds, user fee revenue
- Key Programs:
  - Environmental: EPA Brownfields, MN DEED cleanup grants
  - Economic Development: MN DEED, IRRRB, US EDA
  - Transportation: US DOT, MnDOT programs
  - Traditional Infrastructure: Congressionally Directed Spending, MN Capital Bonding Bill
- Considerations:
  - Match requirements (state vs. federal)
  - Application prep: engineering reports, cost estimates, public hearings
  - Post-award compliance: environmental review, wage rates, reporting

#### **Key Discussion Points**

- Interest in whether Minnesota Power is marketing the site (answer: no active marketing, but inquiries exist to local economic development groups).
- Ranking of scenarios: All viable; caution against assuming full industrial park absorption. Potential for mixed-use development combining industrial, resort, and residential.
- Funding strategy likely would need to be led by a public entity (e.g., county EDA).

#### **Decisions & Next Steps**

- Next session is January 28<sup>th</sup>, 2026: Visioning.
- Questionnaire will be sent to Advisory Committee to prepare for visioning session.

- Scenario planning: Begin shaping reuse concepts in early 2026.
- Site visit for advisory committee to occur when weather allows.
- Public-facing review planned after scenario development phase.